

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE SURCHARGE FOR )**  
**THE IDAHO TELECOMMUNICATIONS ) CASE NO. GNR-T-04-9**  
**SERVICE ASSISTANCE PROGRAM )**  
**ORDER NO. 29475**

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The Idaho Telecommunications Service Assistance Program (ITSAP) provides low-income telephone customers with a monthly credit on their local telephone service in order to promote universal service. See *Idaho Code* § 56-901(1). ITSAP funds are raised through a surcharge on telecommunication service lines and are used to help defray the costs of residential basic local telephone service for eligible customers. The program is administered by the Department of Health and Welfare and works in conjunction with federal programs to “maximize federal ‘lifeline’ and ‘link up’ contributions to Idaho’s low-income customers.” *Idaho Code* § 56-901(1). Each year the ITSAP Administrator files a report with the Commission detailing the revenues received from the surcharges, the credits provided to customers, and administrative costs of the program.

Since implementation of the current program in 1998, the ITSAP surcharge level has ranged from \$.05 per line per month to \$.13 per line per month on all end-user business, residential and wireless access services. Following review of the Administrator’s report for the fiscal year ending December 31, 2002, the Commission issued Order No. 29214 on March 26, 2003 increasing the ITSAP surcharge from \$.10 per access line per month to \$.12 per access line per month. The Administrator’s report for 2002 showed the ITSAP fund balance continuing to decline and recommended the surcharge level be increased to ensure sufficient funds to meet the requirements for eligible households. The Commission increased the surcharge to ensure the ITSAP funds remained at “a level that is sufficient to retain a reasonable balance in the fund to assure its stability and availability to eligible customers.” Order No. 29214 p. 2.

On March 3, 2004, the ITSAP Administrator filed her annual report with the Commission for the fiscal year ending December 31, 2003. The report shows revenues from surcharges totaled \$1,695,732 and disbursements to eligible subscribers in the amount of \$1,199,298. Administrative costs for the participating telephone companies totaled approximately \$105,000. The balance in the ITSAP fund at year end was \$231,714. According

to the Administrator's report, the credits provided to customers increased three percent (3%) from the previous year, or approximately \$40,200, and telephone company administrative costs increased approximately five percent (5%).

The ITSAP Administrator recommended that the current surcharge of \$.12 per line per month remain in place. Although the number of customers receiving credits has continued to increase, the rate of increase is significantly less than in previous years. The fund Administrator believes the current surcharge rate is adequate to reimburse participating companies that provide the credits as well as maintain a reasonable reserve balance in the ITSAP fund.

Based on the ITSAP Administrator's report and recommendation, the Commission has determined to leave the current ITSAP surcharge in place. The Administrator's report shows a reasonable balance for a reserve in the fund, and that the current ITSAP rate of \$.12 per access line per month is sufficient to retain a reasonable balance in the fund to assure its stability and availability to eligible customers.

### **ORDER**

IT IS HEREBY ORDERED that the ITSAP surcharge shall remain at \$.12 per access line per month on all end-user business, residential and wireless access services.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

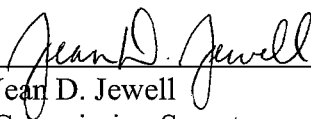
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 16<sup>th</sup>  
day of April 2004.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

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